

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of the Claims:

Claims 1-13 (Cancelled).

Claim 14 (Currently Amended): A ~~processor implemented method of dynamically creating a verification value for a transaction, the method comprising:~~

generating a verification value in response to a transaction involving a mobile electronic device, wherein the verification value is generated using unique transaction data for the transaction;

and

sending the verification value for delivery to a service provider with data in a magnetic stripe data format so that the service provider can verify the verification value.

~~creating, in response to the transaction involving a payment device, a base record having a first data value and a second data value where the second data value is an application-transaction-counter value;~~

~~splitting the base record into a first field and a second field;~~

~~encrypting the first field using a first encryption key;~~

~~performing an exclusive OR (XOR) operation on the encrypted first field and the second field to produce a first result;~~

~~encrypting the first result using a second encryption key to produce a second result;~~

~~decrypting the second result using a decryption key to produce a third result;~~

~~encrypting the third result using a third encryption key to produce a fourth result;~~

~~sequentially extracting each value between 0 and 9 from the most significant digit to the least significant digit of the fourth result to produce a fifth result;~~

~~sequentially extracting and subtracting hexadecimal A from each value between hexadecimal A and hexadecimal F from the most significant digit to the least significant digit of the fourth result to produce the sixth result;~~

~~concatenating the fifth result and the sixth result to produce a seventh result; and~~

~~selecting one or more values from the seventh result as a verification value for the transaction.~~

Claim 15 (Currently Amended): The method of claim 14 wherein the unique transaction data for the transaction comprises:

a time of day for the transaction; and

a transaction amount for the transaction.

~~first encryption key, the second encryption key, and the third encryption key are equivalent.~~

Claim 16 (Currently Amended): The method of claim ~~[[14]]~~ 15, wherein the time of day for the transaction corresponds to a timestamp for the transaction. ~~decryption key differs from the first encryption key.~~

Claim 17 (Currently Amended): The method of claim 14 wherein the verification value is also generated using at least one static data element selected from the group consisting of an expiration date, a service code, an account number, and a combination thereof.
~~decryption key differs from each of the first encryption key, the second encryption key, and the third encryption key.~~

Claim 18 (Currently Amended): The method of claim 14 further comprising, prior to the generating of the verification value, there is an occurrence of an event selected from the group consisting of:

a transaction amount for the transaction exceeds a predetermined threshold value; and
a geographic location of the transaction corresponds to a predetermined geographic location. ~~wherein the base record is 128 bits in length.~~

Claim 19 (Currently Amended): The method of claim 14 wherein;

the verification value is generated on the mobile electronic device;

the transaction is a payment transaction; and

the mobile electronic device is a payment device.

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~~said first data value comprises: a primary account number for the payment service.~~

Claim 20 (Currently Amended): The method of claim 14 wherein the sending of the verification value for delivery to the service provider comprises the mobile electronic device transmitting the verification value to a point of sale terminal via wireless communications. ~~said first data value comprises: a unique identification number for the payment device.~~

Claim 21 (Currently Amended): The method of claim 19 [[14]] wherein the payment device is selected from the group consisting of an integrated circuit card, a smartcard, a memory card, a cellular telephone, a personal digital assistant, and a computer. ~~said first data value comprises: a unique identification number for the service provider.~~

Claims 22-49 (Cancelled)

Claim 50 (New): A method comprising:

generating, at a point of sale terminal, unique transaction data for a transaction being processed by the point of sale terminal;

sending, from the point of sale terminal in a wireless communication, the unique transaction data for the transaction;

receiving, at the point of sale terminal in a wireless communication, data in a magnetic stripe data format, wherein:

the data is in the magnetic strip data format includes a verification value; and

the verification value is generated by use of the unique transaction data for the transaction;

and

transmitting, from the point of sale terminal, the verification value for delivery to a service provider so that the service provider can verify the verification value.

Claim 51 (New): The method as defined in Claim 50, wherein the unique transaction data for the transaction comprises:

a time of day for the transaction; and

a transaction amount for the transaction;

Claim 52 (New): The method as defined in Claim 51, wherein the time of day for the transaction corresponds to a timestamp for the transaction.

Claim 53 (New): The method as defined in Claim 50, wherein the verification value is also generated using at least one static data element selected from the group consisting of an expiration date, a service code, an account number, and a combination thereof.

Claim 54 (New): The method as defined in Claim 50, further comprising, prior to the sending, receiving and transmitting, there is an occurrence of an event selected from the group consisting of:

a transaction amount for the transaction exceeds a predetermined threshold value; and
a geographic location of the transaction corresponds to a predetermined geographic location.

Claim 55 (New): The method as defined in Claim 50, wherein:
the transaction is a payment transaction;
the verification value is generated by a mobile electronic device in response to the transaction at the point of sale terminal; and
the mobile electronic device in communication with the point of sale terminal; and
the mobile electronic device is a payment device.

Claim 56 (New): The method as defined in Claim 55, wherein the payment device is selected from the group consisting of an integrated circuit card, a smartcard, a memory card, a cellular telephone, a personal digital assistant, and a computer.

Claim 57 (New): The method as defined in Claim 50, wherein each said wireless communication is selected from a group consisting of a laser transmission, a radio frequency transmission, an infrared transmission, a Bluetooth transmission, and a wireless local area network transmission.

Claim 58 (New): An apparatus for processing a transaction between a consumer and a merchant, the point of sale terminal comprising:

means for generating unique transaction data for the transaction;

means for wirelessly sending the unique transaction data for the transaction for delivery to a mobile electronic device;

means for wirelessly receiving data in a magnetic stripe format that includes a verification value generated by the mobile electronic device from the unique transaction data for the transaction in response to the transaction;

and

means for transmitting the verification value for delivery to a service provider so that the service provider can verify the verification value.

Claim 59 (New): The apparatus as defined in Claim 58, wherein the unique transaction data for the transaction comprises:

a time of day for the transaction; and

a transaction amount for the transaction;

Claim 60 (New): The apparatus as defined in Claim 59, wherein the time of day for the transaction comprises a timestamp for the transaction.

Claim 61 (New): The apparatus as defined in Claim 58, wherein the verification value is also generated using at least one static data element selected from the group consisting of an

expiration date, a service code, an account number, and a combination thereof.

Claim 62 (New): The apparatus as defined in Claim 58,
further comprising means for determining whether an event has occurred, wherein the
event selected from the group consisting of:

a transaction amount for the transaction exceeds a predetermined threshold value;
and

a geographic location of the transaction corresponds to a predetermined
geographic location;

and

wherein the generating of the means for generating, the receiving of the means for
receiving, and the transmitting of the means for transmitting occur after determining means
determines that the event has occurred..

Claim 63 (New): The apparatus as defined in Claim 58, wherein:

the transaction is a payment transaction; and

the mobile electronic device is a payment device.

Claim 64 (New): The apparatus as defined in Claim 63, wherein the payment device is
selected from the group consisting of an integrated circuit card, a smartcard, a memory card, a
cellular telephone, a personal digital assistant, and a computer.

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Claim 65 (New): The apparatus as defined in Claim 64, wherein each said wireless communication is selected from a group consisting of a laser transmission, a radio frequency transmission, an infrared transmission, a Bluetooth transmission, and a wireless local area network transmission.